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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

NOV - 9 2004

Federal Communications Commission
Office of Secretary

In the Matter of

DOCKET FILE COPY ORIGINAL

Federal-State Joint Board on Universal Service)

CC Docket No. 96-45

TRACFONE WIRELESS, INC.)

Petition for Designation as an)
Eligible Telecommunications Carrier)
In the State of Alabama)

**PETITION FOR DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER
IN THE STATE OF ALABAMA**

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November 9, 2004

TABLE OF CONTENTS

SUMMARY.....	iv
I. TracFone's Universal Service Offering.....	2
A. TracFone's Service	2
B. TracFone's Proposed Lifeline Service	3
II. TracFone Meets the Requirements For Designation as an Eligible Telecommunications Carrier to Serve the Designated Areas in the State of Alabama.....	4
A. The State of Alabama's Public Service Commission Does Not Regulate CMRS Service.....	5
B. TracFone Will Provide Service Through Resale.....	5
C. TracFone Offers All Required Services and Functionalities.....	6
1. Voice grade access to the public switched telephone network.....	6
2. Local Usage.....	6
3. Dual tone multi-frequency ("DTMF") signaling or its functional equivalent.....	7
4. Single-party service or its functional equivalent.....	7
5. Access to 911 and E-911 emergency service.....	7
6. Access to operator services.....	8
7. Access to interexchange service ("IXC").....	8
8. Access to directory assistance.....	8
9. Toll limitation for qualified low-income customers.....	8
D. TracFone Will Advertise the Availability of its Lifeline Services.....	9
E. TracFone Requests Designation Throughout Its Licensed Service Area in Alabama.....	9
1. Non-Rural Areas.....	10
2. Rural Areas.....	10
III. Designation of TracFone as an ETC for the Designated Areas In the State of Alabama Would Serve the Public Interest.....	11
1. The Benefits of Competitive Choice	13
2. Impact on the Universal Service Fund	13
3. Unique Advantages of TracFone's Service Offerings.....	14
4. Service Quality Commitments Made	14
5. TracFone Will be Able to Serve the Designated Areas Within a Reasonable Time.....	15
IV. Anti-Drug Abuse Certification	16
V. High-Cost, Interstate Access, and Interstate Common Line Support Certification.....	16
VI. Conclusion.....	17

EXHIBITS

1. Declaration of TracFone President
2. Order from the State of Alabama's Public Service Commission Declining Jurisdiction
3. High-Cost Interstate Access and Interstate Common Line Support Certification Letter

SUMMARY

TracFone Wireless, Inc. (“TracFone”) is seeking designation as an Eligible Telecommunications Carrier (“ETC”) pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (the “Act”) throughout the entire State of Alabama, including both non-rural telephone company service areas and rural telephone company service areas.

TracFone is a reseller of Commercial Mobile Radio Service (“CMRS”) throughout Alabama. Through its resale agreements with three underlying carriers, TracFone has the ability to provide all services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the Commission’s Rules.

TracFone provides its services only on a prepaid basis. TracFone’s customers tend to be those customers which other wireless carriers do not want to serve – lower income, lower volume users, students, the elderly, and transient consumers; customers who either are unwilling to enter into long-term service contracts with steep early termination penalties or, if they are willing to sign such contracts, do not have credit standings that would be satisfactory to those other carriers. TracFone’s commitment to offering prepaid plans which make wireless service available to low income, low volume users has been a critical component of TracFone’s business strategy since the company’s inception. Now TracFone has determined to offer service specifically targeted at that portion of the consuming public most in need of affordable telecommunications services: those who qualify for assistance under the Commission’s Lifeline program. TracFone seeks ETC designation solely to enable it to offer Lifeline service to eligible low income consumers. TracFone does not seek access to funds from the federal Universal Service Fund for the purpose of providing service to high cost areas.

Under Section 214(e)(6) of the Act, the Commission may with respect to an area served by a rural telephone company, and shall, in all other cases, designate more than one common

carrier as an ETC for a designated service area, so long as the carrier meets the requirements of Section 214(e)(6). TracFone meets the requirements for ETC designation pursuant to Section 214(e)(6). TracFone recognizes that Section 214(e)(1)(A) states that ETCs shall offer services, at least in part, over their own facilities. Due to the fact that TracFone provides service by reselling the services of its underlying vendors, it has requested that the Commission exercise its forbearance authority with respect to the facilities-based requirement. TracFone meets all the conditions to grant a petition for forbearance. As detailed in the Petition for Forbearance, enforcement of the requirement that an ETC provide service using at least a portion of its own facilities is not necessary to ensure that TracFone's charges and practices are just and reasonable and are not unjustly or unreasonably discriminatory; is not necessary to protect consumers; and is consistent with the public interest.

Finally, designation of TracFone as an ETC in rural telephone company service areas is supported by public interest. The benefits of designating TracFone as an additional ETC in the rural areas of Alabama outweigh potential harms. If TracFone is designated as an ETC, consumers will benefit from increased competitive choice, the impact of the designation on the universal service fund will be negligible, consumers for whom telephone service is unavailable or impracticable will enjoy pay-as-you-go, affordable and high quality wireless telecommunications service, and such service will be available immediately upon grant of the ETC application.

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**PETITION FOR DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER
IN THE STATE OF ALABAMA**

TracFone Wireless, Inc. ("TracFone"), by its undersigned counsel and pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (the "Communications Act"), hereby submits this Petition for Designation as an eligible telecommunications carrier ("ETC") in the State of Alabama. If designated as an ETC, TracFone will solely use that designation and the accompanying federal universal service funds to offer Lifeline service to customers who are qualified to participate in the Lifeline program. TracFone does not seek access to funds from the universal service fund to support service to high cost areas.

TracFone provides wireless telecommunications services throughout the State of Alabama. As demonstrated herein, and certified in Exhibit 1 to this Petition, TracFone meets all of the statutory and regulatory requirements for designation as an ETC in the State of Alabama. TracFone respectfully requests that the Commission promptly grant this Petition.

I. TracFone's Universal Service Offering

A. TracFone's Service

TracFone is a reseller of Commercial Mobile Radio Services ("CMRS") throughout the United States, including the State of Alabama. TracFone provides service through a "virtual network" consisting of services obtained from more than thirty licensed operators of wireless networks. TracFone has provided CMRS service throughout the State of Alabama continuously for seven years. In Alabama, TracFone obtains service from the following underlying carriers: Cingular Wireless, Rural Cellular Corporation, Alltel Corporation, Public Service Cellular, Pine Belt Cellular and Verizon Wireless. TracFone's arrangements with these providers enable it to offer services wherever any of those providers offer service in the State of Alabama.

TracFone, through its resale agreements with the underlying carriers identified in the preceding paragraph, has the ability to provide all services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the Commission's Rules (47 C.F.R. § 54.101(a)) throughout the State of Alabama. Upon designation as an ETC, TracFone will make available to consumers, who are qualified to participate and are within the designated area, the Lifeline service with all of the functionalities and features currently provided by TracFone to its existing customers.

Even without classification as an ETC, TracFone currently operates in accordance with the spirit of universal service. Because TracFone utilizes the networks of more than thirty licensed CMRS providers, TracFone service is available virtually nationwide (including throughout the State of Alabama). Moreover, TracFone service is available at nationally uniform rates. TracFone service is priced no higher in Luverne, Alabama than it is in Birmingham, Alabama.

B. TracFone's Proposed Lifeline Service

TracFone is a CMRS provider which provides its services only on a prepaid basis. TracFone considers lower volume, lower income consumers to be the heart of its consumer base, rather than a portion of the consuming public to be avoided. Traditional wireless carriers shun service to such customers. TracFone's commitment to offering prepaid plans which make wireless service available to low income users is not new. It has been a critical component of TracFone's business strategy since the company's inception. TracFone has recently decided to offer services specifically targeted at that portion of the consuming public most in need of affordable telecommunications services: those who qualify for assistance under the Commission's Lifeline program.

TracFone is developing a Lifeline service plan that will be consistent with the goals of universal service and offer significant benefits to consumers who qualify for Lifeline. In previously filed petitions for ETC designation in other states, TracFone proposed a specific Lifeline service plan. However, after reviewing comments filed in response to those previously-filed petitions, discussing its proposal with Commission Staff, and further analyzing the specific details of that plan, TracFone is considering various alternatives. Under all plans being contemplated, TracFone will pass through 100 percent of universal service fund support it receives to consumers. For example, if TracFone receives \$10 in USF support for serving a customer who qualifies for Lifeline service, a plan that currently costs the equivalent of \$15 a month, would now cost not more than \$5 a month. TracFone plans to develop special discounted Lifeline offerings in addition to discounting existing plans by the Lifeline subsidy amount. TracFone will actively promote and advertise all Lifeline service options. Lastly, TracFone will implement procedures to ensure that all consumers receiving Lifeline services from it are qualified to receive such services and continue to be qualified throughout the time they receive

Lifeline service. TracFone's eligibility determination and confirmation procedures will be comply with applicable Commission rules and will be consistent with the procedures used by existing ETCs.

II. TracFone Meets the Requirements For Designation as an Eligible Telecommunications Carrier to Serve the Designated Areas in the State of Alabama.

Under Section 214(e)(6) of the Act (47 U.S.C. § 214(e)(6)), the Commission, consistent with the public interest, convenience and necessity, may, with respect to an area served by a rural telephone company, and shall, in all other cases, designate more than one common carrier as an ETC for a designated service area, so long as the requesting carrier meets the requirements of Section 214(e)(6). As demonstrated below, and as set forth in the Declaration of F.J. Pollak, Exhibit 1, TracFone meets the requirements for ETC designation by the Commission pursuant to Section 214(e)(6) set forth in the Commission's Section 214(e)(6) Public Notice, as demonstrated in this Petition.¹ In addition, TracFone complies with the standards established by the Commission for determining whether applications for ETC status to serve areas served by rural local exchange carriers would serve the public interest.² TracFone recognizes that Section 214(e)(1)(A) states that ETCs shall offer services, at least in part, over their own facilities. However, as described at Section II. B. of this petition, TracFone has requested that the Commission exercise its forbearance authority with respect to that facilities-based service requirement. For the reasons set forth in its petition for forbearance, TracFone meets all of the conditions to grant of a petition for forbearance codified at Section 10 of the Act (47 U.S.C. §

¹ See Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act, *Public Notice*, 12 FCC Rcd 22947 (1997) ("Section 214(e)(6) Public Notice").

² See Highland Cellular, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia, 19 FCC Rcd 6422 (2004) ("Highland Cellular"); Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia, 17 FCC Rcd 9596 (2004).

160).

A. The State of Alabama's Public Service Commission Does Not Regulate CMRS Service

A carrier seeking designation as an ETC must typically request such a designation from the applicable state regulatory commission. However, the Alabama Public Service Commission (the "Alabama PSC") does not regulate CMRS carriers such as TracFone for the purpose of making ETC determinations. An Order to this effect, dated March 12, 2002 (and attached to a letter dated November 8, 2004), was issued by the Alabama PSC, and is attached to this Petition as Exhibit 2.³ This Order meets the FCC's specific requirements for such an order in that it specifies that CMRS carriers are not subject to the jurisdiction of the Alabama PSC for the purpose of making ETC designations. TracFone accordingly requests that the FCC designate TracFone as "a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a state commission" pursuant to 47 U.S.C. § 214(e)(6).

B. TracFone Will Provide Service Through Resale

Section 214(e)(1)(A) states that a carrier designated as an ETC shall offer services supported by Federal universal service support programs "either using its own facilities or a combination of its own facilities and resale of another carrier's services." TracFone is a reseller of the following carriers' services in Alabama: Cingular Wireless, Rural Cellular Corporation, Alltel Corporation, Public Service Cellular, Pine Belt Cellular, and Verizon Wireless. Concurrent with the filing of this Petition, TracFone has filed with the Commission a Petition for Forbearance requesting that the Commission forbear from applying Section 214(e)(1)(A) to

³ See Pine Belt Cellular, Inc. and Pine Belt PCS, Inc., Docket No. U-4400 (March 12, 2002) ("the Commission's jurisdiction to grant Eligible Telecommunications Carrier status for universal service purposes does not extend to providers of cellular services, broadband personal communications services, and commercial mobile radio services.").

TracFone. As detailed in the Petition for Forbearance filed on June 8, 2004, in the case of TracFone, enforcement of the requirement that an ETC provide services using at least some of its own facilities is not necessary to ensure that TracFone's charges and practices are just and reasonable and are not unjustly or unreasonably discriminatory; is not necessary to protect consumers; and is consistent with the public interest.⁴

C. TracFone Offers All Required Services and Functionalities

TracFone offers, or will offer upon designation as an ETC in the Designated Areas, all of the services and functionalities required by Section 54.101(a) of the Commission's Rules (47 C.F.R. § 54.101(a)) including the following:

1. Voice grade access to the public switched telephone network.

Voice grade access to the public switched telephone network ("PSTN") means the ability to make and receive traditional voice phone calls between the approximately 500 Hertz and 4,000 Hertz for a bandwidth of approximately 3500 Hertz.⁵ The voice grade access provided by TracFone enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call.

2. Local Usage.

As part of the voice grade access to the PSTN, an ETC must provide local calling. TracFone provides subscribers the ability to send and receive local phone calls wherever it provides service. Moreover, local usage is included in all of TracFone's calling plans. As a designated ETC, TracFone will comply with any applicable minimum local usage requirements

⁴ See 47 U.S.C. § 160.

⁵ See Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776 at 8810-11 (1997) ("USF Order").

adopted by the Commission.

3. Dual tone multi-frequency (“DTMF”) signaling or its functional equivalent.

DTMF signaling allows carriers to provide expeditious call set-up and call detail information and enables modem usage.⁶ The Commission permits carriers to provide signaling that is functionally equivalent to DTMF to satisfy the DTMF requirement. All telephone handsets sold by TracFone are DTMF-capable.

4. Single-party service or its functional equivalent.

Single-party service means that only one party will be served by a subscriber line or access loop in contrast to a multi-party line.⁷ TracFone provides customers with single-party access for the duration of every phone call. TracFone does not provide “multi-party” or “party line” services.

5. Access to 911 and E-911 emergency service.

The Commission has declared that access to emergency services is essential.⁸ TracFone provides universal access to the 911 system for its customers. In fact, TracFone handsets will permit E-911 calling irrespective of whether the caller is an active customer and whether the customer has available prepaid minutes. TracFone has implemented and will continue to implement enhanced 911 (“E-911”) services consistent with the Commission’s Rules and Orders when such services are made available by the carriers from whom TracFone purchases services. In particular, TracFone will fully comply with the Commission’s E911 requirements applicable

⁶ USF Order at 8814.

⁷ USF Order at 8810.

⁸ Id. at 8815.

to wireless resellers.⁹ Pursuant to the Commission's E-911 Order, resellers that use other carriers' facilities to provide wireless voice service to customers have an obligation to comply with the Commission's E-911 rules "to the extent that the underlying facilities-based licensee has deployed the facilities necessary to deliver enhanced 911 information to the appropriate PSAP [public service answering point]."¹⁰ TracFone will make available access to E-911 service in accordance with applicable Commission requirements.

6. Access to operator services.

TracFone offers all of its customers access to operator services, in accordance with the Commission's requirements.

7. Access to interexchange service ("IXC").

TracFone customers can use TracFone's services to complete toll calls. In fact, TracFone does not impose separate charges for interexchange calls. Long distance calling is included in TracFone's service with no additional charge.

8. Access to directory assistance.

All TracFone customers receive access to directory assistance service through the TracFone virtual network. Specifically, all TracFone customers, including those customers located in Alabama, have access to directory assistance services provided by TracFone's vendors.

9. Toll limitation for qualified low-income customers.

There is no need for TracFone to offer a toll limitation feature to qualifying low-income customers. Since TracFone's service is a prepaid service, no customers will be disconnected for

⁹ See Revision of the Commission's Rules to Ensure Compatibility With Enhanced 911 Emergency Calling Systems, *Report and Order and Second Further Notice of Proposed Rulemaking*, FCC 03-290, 2003 WL 22844386 (released: Dec. 1, 2003) ("E-911 Order").

¹⁰ Id. ¶ 91.

failure to pay toll charges or, for that matter, any other charges. TracFone treats long distance minutes as any other minutes and the customers are not charged separately for toll services. Inasmuch as all TracFone services are prepaid there is no danger that low income customers will incur large charges for heavy toll (or other) calling and no risk that they will be disconnected for nonpayment. Since customers pay for the service in advance – they can use only what they already have paid for. Thus, TracFone's prepaid services are especially beneficial to lower income users since the consumers' enjoy the ability to control or limit their charges for toll service (as well as local service) in a manner that customers of traditional post-paid (billed in arrears services) do not.

D. TracFone Will Advertise the Availability of its Lifeline Services

TracFone will advertise the availability of the Lifeline services and the charges therefore using media of general distribution, in accordance with the requirements of Section 54.201(d)(2) of the Commission's Rules (47 C.F.R. § 54.201(d)(2)). TracFone currently advertises the availability of its services, and will do so for the Lifeline service on a regular basis, in newspapers, and magazines, or on radio and television, that constitute media of general distribution in Designated Areas of the State of Alabama. In addition, TracFone services are advertised through use of displays at the numerous retail outlets where TracFone service is sold.

E. TracFone Requests Designation Throughout Its Licensed Service Area in Alabama

TracFone is not a rural telephone company as defined in Section 153(37) of the Communications Act (47 U.S.C. § 153(37)). Accordingly, TracFone is required to describe the geographic area(s) within which it requests designation as an ETC. TracFone requests designation as an ETC for its entire service area in Alabama. TracFone, through its resale of wireless services provided by its underlying vendors in Alabama, provides service in every Zip

Code in the State of Alabama. Accordingly, TracFone seeks ETC status throughout the entire State of Alabama.

1. Non-Rural Areas

For non-rural service areas, there are no restrictions on how a state commission defines the “service area” for purposes of designating a competitive ETC. TracFone’s authorized service area covers the following non-rural telephone company service areas:

Bellsouth Telecommunications, Inc.
CenturyTel of Alabama, LLC

The Commission may designate TracFone as an ETC in areas that TracFone serves without redefining the service areas of the non-rural telephone companies set forth above.

2. Rural Areas

TracFone’s authorized service area covers the following rural telephone company service area in its entirety:

Alltel Alabama, Inc.
Ardmore Telephone Co.
Blountsville Telephone Co. (Otelco)
Brindlee Mountain Telephone Co. (Otelco)
Butler Telephone Co.
Castleberry Telephone Co.
Farmers Telephone Coop.
Frontier Communications of Lamar County, LLC
Frontier Communications of Alabama, LLC
Frontier Communications of the South, LLC
Graceba Total Communications, Inc.
GTC, Inc.
Gulf Telephone Co.
Hayneville Telephone Co.
Hopper Telecommunications Company, Inc. (Otelco)
Interstate Telephone Co.
Millry Telephone Co.
Mon-Cre Telephone Cooperative, Inc.
Moundville Telephone Co.
National Telephone Co. of Alabama (Cherokee Telephone Co.)
New Hope Telephone Cooperative
Oakman Telephone Co.

Otelco Telephone, LLC
Peoples Telephone Co.
Pine Belt Telephone Co.
Ragland Telephone Co.
Roanoke Telephone Co.
Union Springs Telephone Co.
Valley Telephone Company, LLC

The Commission may designate TracFone as an ETC in this rural telephone company service area upon a finding that such designation would serve the public interest.¹¹

III. Designation of TracFone as an ETC for the Designated Areas In the State of Alabama Would Serve the Public Interest

As noted above, TracFone seeks certification as an ETC for the Lifeline program in areas served by rural telephone companies, as well as in areas served by non-rural telephone companies. Consequently, the Communications Act requires that the Commission determine that TracFone's designation as an ETC would serve the public interest.¹²

Based upon recent Commission-compiled data, the Federal Lifeline program remains significantly underutilized. According to Commission data, nationally, only 33.7% of eligible households participate in Lifeline.¹³ In Alabama, the percentage of eligible households participating in Lifeline is only 8.5%.¹⁴ TracFone does not know why a program so important to low income consumers is so underutilized. TracFone is prepared to promote the availability of the Lifeline program upon grant of its petition for forbearance and approval of its petition for ETC designation. By doing so it is expected that the level of participation by eligible households in the Lifeline program will increase, and thus, serve the public interest.

¹¹ See 47 C.F.R. § 54.207(c).

¹² 47 U.S.C. § 214(e)(6).

¹³ See *In the Matter of Lifeline and Link-Up, Report and Order and Further Notice of Proposed Rulemaking*, FCC 04-87 (released April 29, 2004) at Table 1.A.

¹⁴ *Id.*

In addition, in regard to the public interest served by wireless providers to low-income consumers, a research group recently has stated in its comments to TracFone's Petition for Forbearance:

While cell phones were once viewed as luxury items, they have become increasingly important for consumers in all income brackets. There are certainly unique services that cell-phone providers can offer low-income consumers. Many low-income consumers commute long distances and/or work several jobs, meaning that they can spend many hours away from home each day. A cellular phone offers mobility, security, and convenience that a traditional wire-line can't offer.¹⁵

Similarly, the Sustainable Markets Foundation has stated in its comments to TracFone's Petition for Forbearance that prepaid wireless service:

has become an alternative to regular in-home telephone service for many low-income consumers, including migrant workers, working, traveling through, or living in rural areas with little access to regular phone service. It has also become an alternative to regular phone service for consumers who may not stay at one residence long enough to justify service connection fees or consumers with poor credit ratings who would otherwise have trouble obtaining phone service.¹⁶

The above-mentioned data and comments undeniably demonstrate that providing wireless service to low-income consumers who qualify for the Lifeline program will help satisfy the needs of an important segment of our society that is under-served.

In its recent Highland Cellular decision, the Commission identified several factors to be considered in determining whether designation of an additional ETC in a rural area would serve the public interest. These factors require the Commission to weigh whether the benefits of an additional ETC in specific rural areas would outweigh potential harms. The factors to be

¹⁵ Comments of New York Public Interest Research Group to TracFone's Petition for Designation as an Eligible Telecommunications Carrier in the State of New York and its Petition for Forbearance, Docket No. 96-45, filed July 26, 2002, at 2.

¹⁶ Comments of Sustainable Markets Foundation Comments to TracFone's Petition for Designation as an Eligible Telecommunications Carrier in the State of New York and its Petition for Forbearance, Docket No. 96-45, filed July 26, 2004, at 2.

considered include: 1) the benefits of increased competitive choice; 2) the impact of the designation on the universal service fund; 3) the unique advantages of the applicant company's service offerings; 4) commitments made regarding the quality of services to be provided; and 5) the ETC applicant's ability to satisfy its obligation to serve the designated areas within a reasonable time frame.¹⁷ As described in the following paragraphs, TracFone meets each of those criteria.

1. The Benefits of Competitive Choice

The benefits to consumers of being able to choose from among a variety of telecommunications service providers have been acknowledged by the Commission for more than three decades.¹⁸ However, the benefits of competitive choice are especially valuable in situations in which wireless providers like TracFone seek to provide service to low-income consumers in rural communities. As the Commission recognized in Highland Cellular, some residences located in rural communities do not have access to the public switched network through the incumbent local exchange carrier. Moreover, the availability of a wireless competitive alternative benefits those low-income, rural consumers who often must drive significant distances to work, to schools, to stores, and to other community locations.¹⁹ TracFone's prepaid wireless service alternative will provide low-income consumers with convenient and affordable service, both from their residences and when they are away from their homes.

2. Impact on the Universal Service Fund

Whatever impact classification of TracFone as an ETC will have on the universal service

¹⁷ Highland Cellular, at § 22.

¹⁸ See, e.g., Specialized Common Carrier Services, 29 FCC2d 870 (1971).

¹⁹ Highland Cellular, at § 23.

fund will be negligible. As noted by the Commission in Highland Cellular, the total size of the fund as of fourth quarter 2003 was \$857,903.276. As stated earlier, nationally, only 33.7% of eligible households participate in the Lifeline program, and in Alabama, even a smaller percentage (8.5%) of eligible households participate in the Lifeline program. TracFone does not anticipate that the amount of universal service funding which it might receive for offering Lifeline services would be more than a *de minimis* portion of the fund size.

3. Unique Advantages of TracFone's Service Offerings

As described elsewhere in this petition, TracFone's entire business model is predicated on providing easy to use, pay-as-you-go, affordable wireless telecommunications service to consumers to whom wireless service is otherwise unavailable or impracticable. TracFone offers consumers an opportunity to acquire wireless service using state-of-the-art handsets and such features as caller ID, voice mail, call forwarding, and long distance calling without toll charges. Because TracFone's service requires no term contracts, no minimum service periods or volume commitments, no credit checks, the service is available to everyone – irrespective of age; irrespective of residency; irrespective of creditworthiness. Moreover, TracFone's prepaid service is unique in that usage information and remaining balance information is stored in the handsets and is thus available to consumers on a "real-time" basis. None of the incumbent providers nor those other non-incumbent ETCs serving the areas covered by TracFone in Alabama offer service to consumers under comparable conditions.

4. Service Quality Commitments Made

As a reseller of other carriers' wireless services, TracFone's service is of the same quality and reliability as that of its underlying vendors. TracFone cannot assure the Commission that it will never experience service disruptions. Occasional dropped calls and inconsistent coverage depending on atmospheric conditions are a fact of life in the wireless industry. TracFone

believes that its service is as reliable as that of any other provider serving the Alabama market. To demonstrate its commitment to high service quality, TracFone will comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service. In addition, it is willing to provide to the Commission information regarding the number of consumer complaints per 1,000 handsets on an annual basis (the commitment made by Highland Cellular).

5. TracFone Will be Able to Serve the Designated Areas Within a Reasonable Time

TracFone provides service in Alabama by reselling service which it obtains from six underlying facilities-based providers. Each of those providers' networks are operational and are largely built out. Thus, TracFone will be able to provide service to all locations served by any of those six underlying carriers immediately upon grant of this application.

Designation of TracFone as an ETC will also serve the public interest because TracFone will provide all of the supported services required by the Commission, will participate in the Lifeline program as required by the Commission's Rules, and will otherwise comply with all FCC Rules governing universal service programs, which are designed to ensure that the public interest standards of the Communications Act are achieved. Allowing TracFone access to universal service support will enable TracFone to continue to enhance and expand its service to better serve low-income consumers in the State of Alabama. As a national leader in prepaid wireless services, TracFone has done much to advance the availability of wireless service for those portions of the population for whom wireless service is otherwise unavailable or, if available, is too costly and requires usage and volume commitments which are beyond the means of many consumers.

Finally, designation of TracFone as an ETC will serve the public interest by further

promoting the extensive role TracFone plays in the provision of communications services to lower income users. TracFone's "pay-as-you-go" wireless plans enable consumers to enjoy the convenience and security of wireless telecommunication without being subject to extensive credit reviews and long-term service commitments which historically have limited the availability of wireless service to many Americans, including many residents of Alabama. Accordingly, designation of TracFone as an ETC will serve the public interest.

IV. Anti-Drug Abuse Certification

No party to this Petition is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998, 21 U.S.C. Section 862.²⁰

V. High-Cost, Interstate Access, and Interstate Common Line Support Certification

Under Sections 54.313, 54.314 and 54.904 of the Commission's Rules (47 C.F.R. §§ 54.313, 54.314 & 54.904), as well as 47 C.F.R. § 54.809, carriers wishing to obtain universal service support must either be certified by the appropriate state commission or, where the state commission does not exercise jurisdiction, must self-certify with the Commission and the Universal Service Administrative Company ("USAC") as to their compliance with Section 254(e) of the Communications Act (47 U.S.C. § 254(e)). As explained above, the State of Alabama's Public Service Commission does not exercise jurisdiction over CMRS carriers such as TracFone. Therefore, TracFone has submitted its high-cost interstate access and interstate common line support certification letter with the Commission and with USAC. A copy of this certification is attached hereto as Exhibit 3. As explained above, TracFone does not seek access to funds from the federal Universal Service Fund for the purpose of providing service to high cost areas. Nevertheless, TracFone includes the attached certification as part of this ETC petition

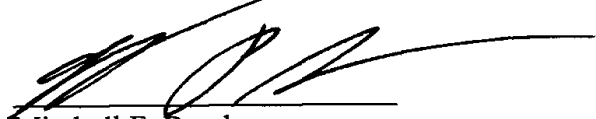
²⁰ See Declaration of F.J. Pollak, attached hereto as Exhibit 1.

to demonstrate to the Commission that it is fully compliant with all ETC designation requirements.

VI. Conclusion

Based on the foregoing, TracFone contends that the requirements for eligibility for designation as an eligible telecommunications carrier have been met. Therefore, TracFone requests that the Commission promptly grant this Petition for ETC designation to enable it to offer Lifeline service to eligible low income consumers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mitchell F. Brecher', is written over a horizontal line.

Mitchell F. Brecher
Debra McGuire Mercer

GREENBERG TRAURIG, LLP
800 Connecticut Avenue, N.W.
Suite 500
Washington, D.C. 20006
(202) 331-3100

Counsel for TracFone Wireless, Inc.

November 9, 2004

EXHIBIT 1

DECLARATION OF TRACFONE WIRELESS, INC.

F.J. Pollak, after first being sworn on oath, and pursuant to 47 C.F.R. § 1.16, states as follows:

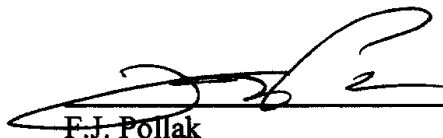
1. I am President and Chief Executive Officer of TracFone Wireless, Inc. My business address is 8930 N.W. 25th Street, Miami, Florida 33122-1902

2. In my capacity as President and Chief Executive Officer of TracFone Wireless, Inc., I am an authorized representative of the Company. I have read TracFone's Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama ("Petition") and confirm the information contained therein to be true and correct to the best of my present knowledge.

3. To the best of my knowledge, no party to the Petition, nor any of their officers, directors, or persons holding 5% or more of the outstanding stock or shares (voting and/or non-voting) as specified in Section 1.2002(b) of the Commission's rules, are subject to denial of federal benefits, including Commission benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.


I hereby certify under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on November 2, 2004.



F.J. Pollak
President and Chief Executive Officer

Subscribed and sworn to before me
This 2nd day of November 2004.


Notary Public

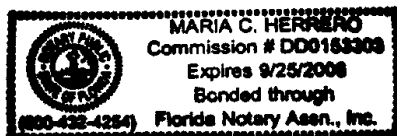


EXHIBIT 2



STATE OF
ALABAMA PUBLIC
P.O.
MONTGOMERY,

Post-It Fax Note 7671		Date 11/8/04	# of pages 4
To Tracie Chesterman		From APSC Legal	
Co./Dept.		Co.	
Phone #		Phone #	
Fax #		Fax #	

JIM SULLIVAN, PRESIDENT

JAN COOK, ASSOCIATE COMMISSIONER

GEORGE C. WALLACE, JR., ASSOCIATE COMMISSIONER

November 8, 2004

WALTER L. THOMAS, JR.

SECRETARY

Ms. Tracie R. Chesterman
Counsel for TracFone Wireless, Inc.
GREENBERG TRAURIG, LLP
Met Life Building
200 Park Avenue
New York, NY 10166

Dear Ms. Chesterman:

As reflected in the attached Order of the Alabama Public Service Commission ("APSC") dated March 12, 2002, in Docket U-4400, the jurisdiction of the APSC does not extend to providers of cellular services, broadband personal communications services and commercial mobile radio services. Providers of such services are accordingly advised to seek Eligible Telecommunications Carrier status pursuant to §214(e)(6) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996.

Should you have further questions regarding this matter, please do not hesitate to contact me at (334)242-5200.

Sincerely,

John A. Garner
Acting Chief Administrative Law Judge

JAG:eml
Attachment



STATE OF ALABAMA
ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 991
MONTGOMERY, ALABAMA 36101-0991

JIM SULLIVAN, PRESIDENT
JAN COOK, ASSOCIATE COMMISSIONER
GEORGE C. WALLACE, JR., ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.
SECRETARY

**PINE BELT CELLULAR, INC. and PINE
BELT PCS, INC.,**

Joint Petitioners

**PETITION: For ETC status and/or
clarification regarding the jurisdiction
of the Commission to grant ETC status
to wireless carriers.**

DOCKET U-4400

ORDER

BY THE COMMISSION:

In a joint pleading submitted on September 11, 2001, Pine Belt Cellular, Inc. and Pine Belt PCS, Inc. (collectively referred to as "Pine Belt") each notified the Commission of their desire to be designated as universal service eligible telecommunications carriers ("ETCs") for purposes of providing wireless ETC service in certain of the non-rural Alabama wireline service territories of BellSouth Telecommunications, Inc. ("BellSouth") and Verizon South, Inc. ("Verizon"). The Pine Belt companies noted their affiliation with Pine Belt Telephone Company, a provider of wireline telephone service in rural Alabama, but clarified that they exclusively provide cellular telecommunications and personal communications (collectively referred to as "CMRS" or "wireless") services in their respective service areas in Alabama in accordance with licenses granted by the Federal Communications Commission ("FCC"). The pivotal issue raised in the joint pleading of Pine Belt companies is whether the Commission will assert jurisdiction in this matter given the wireless status of the Pine Belt companies.

As noted in the filing of the Pine Belt companies, state Commissions have primary responsibility for the designation of eligible telecommunications carriers in their respective jurisdictions for universal service purposes pursuant to 47 USC §214(e). The Commission indeed established guidelines and requirements for attaining ETC status in this jurisdiction pursuant to notice issued on October 31, 1997.

DOCKET U-4400 - #2

For carriers not subject to state jurisdiction, however, §214(e)(6) of the Telecommunications Act of 1996 provides that the FCC shall, upon request, designate such carriers as ETCs in non-rural service territories if said carriers meet the requirements of §214(e)(1). In an FCC Public Notice released December 29, 1997 (FCC 97-419) entitled "Procedures for FCC designation of Eligible Telecommunications Carriers pursuant to §214(e)(6) of the Telecommunications Act", the FCC required each applicant seeking ETC designation from the FCC to provide, among other things, "a certification and brief statement of supporting facts demonstrating that the Petitioner is not subject to the jurisdiction of a state Commission."

The Pine Belt companies enclosed with their joint pleading completed ETC application forms as developed by the Commission. In the event the Commission determines that it does not have jurisdiction to act on the Pine Belt request for ETC status, however, the Pine Belt companies seek an affirmative written statement from the Commission indicating that the Commission lacks jurisdiction to grant them ETC status as wireless carriers.

The issue concerning the APSC's jurisdiction over providers of cellular services, broadband personal communications services, and commercial mobile radio services is one that was rather recently addressed by the Commission. The Commission indeed issued a Declaratory Ruling on March 2, 2000, in Docket 26414 which concluded that as the result of certain amendments to the Code of Alabama, 1975 §40-21-120(2) and (1)(a) effectuated in June of 1999, the APSC has no authority to regulate, in any respect, cellular services, broadband personal communications services and commercial mobile radio services in Alabama. Given the aforementioned conclusions by the Commission, it seems rather clear that the Commission has no jurisdiction to take action on the Application of the Pine Belt companies for ETC status in this jurisdiction. The Pine Belt companies and all other wireless providers seeking ETC status should pursue their ETC designation request with the FCC as provided by 47 USC §214(e)(6).

DOCKET U-4400 - #3

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That the Commission's jurisdiction to grant Eligible Telecommunications Carrier status for universal service purposes does not extend to providers of cellular services, broadband personal communications services, and commercial mobile radio services. Providers of such services seeking Eligible Telecommunications Carrier status should accordingly pursue their requests through the Federal Communications Commission.

IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 12th day of March, 2002.

ALABAMA PUBLIC SERVICE COMMISSION


Jim Sullivan, President


Jan Cook, Commissioner


George C. Wallace, Jr., Commissioner

ATTEST: A True Copy

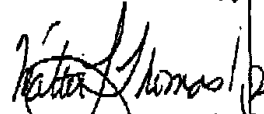

Walter L. Thomas, Jr., Secretary

EXHIBIT 3



wireless, inc. 8390 NW 25th Street | Miami, FL 33122

June 7, 2004

VIA OVERNIGHT MAIL

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Ms. Irene M. Flannery
Vice President – High Cost and Low Income Division
Universal Service Administrative Company
2000 L Street, NW
Suite 200
Washington, DC 20036

RECEIVED

JUN - 7 2004

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: TracFone Wireless, Inc.
Certification for High Cost Loop Support, CC Docket No. 96-45

Dear Ms. Dortch and Ms. Flannery:

This certification is submitted on behalf of TracFone Wireless, Inc. ("TracFone") in accordance with Federal Communications Rules 54.313 and 54.314 (47 C.F.R. §§ 54.313, 54.314). On behalf of TracFone, I hereby certify under penalty of perjury that all high-cost support provided to TracFone will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, pursuant to Section 254(e) of the Telecommunications Act of 1996 (47 U.S.C. § 254(e)).

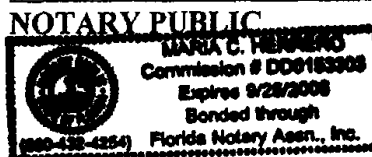
Sincerely,

TracFone Wireless, Inc.

F.J. Pollak
President and Chief Executive Officer

SUBSCRIBED, SWORN TO, AND ACKNOWLEDGED before me this 7 day of June, 2004.

Maria C. Herrera



My Commission Expires:

9-25-06